

why they want to keep their items fairly large. They have not got the time to waste on little items. That is why they have adopted the figure of £100,000 but I am not suggesting that \$400,000 is the figure that you would want to use in Canada. I merely bring the matter up to indicate the decision to raise the figure.

Mr. PINARD: Can you tell us the figure you would suggest for Canada?

The WITNESS: Well, sir, I would put it this way. In every vote a department puts in a cushion and the smaller the vote the bigger is the cushion, relatively speaking.

Mr. CRUICKSHANK: There is a pretty small cushion in my riding.

The WITNESS: When I was in the treasury I could run salary costs of a staff of 1,000 people at 1 per cent less than the amount which I asked from parliament because I would have during the year sufficient resignations, deaths, and casualties of one sort and another that I had a cushion actually within my total. Therefore, I say that when a vote is mainly a salary vote you do not need a cushion of more than 1 per cent or  $1\frac{1}{2}$  per cent, if it is a fairly large vote. If you have a lot of small votes you are going to put in a cushion of 5 per cent to 10 per cent and therefore you are voting more money than is actually needed. You can see that by the amounts which lapse. When we apply to the Treasury Board for estimates they ask how much we spent last year and if we can show that we spent every cent we have an argument which is accepted in our favour. Therefore we may have spent money we did not actually need just because we had a margin.

Mr. CLEAVER: I wonder of Mr. Sellar would now indicate to the committee the various vote items which he suggests should be consolidated? Perhaps he could confine it to the type of votes?

The WITNESS: I suggest it can be done where you have a straight administrative service. In an ordinary department you start off with administration and then you break it down to the various branches. I think one vote is sufficient for all of those with sub-headings at which you can look and see the actual expense by branches. That is the sort of thing I speak of. There could be a division when you come to capital expenditure and maintenance of works. For instance with respect to canals I cannot see any distinction between operation and maintenance. If we are going to build a new canal it would be different, but if we are just going to fix up a lock I would say that it should be included in the one vote.

Mr. CLEAVER: The overall result is that your reserve for the unforeseen, or the cushion as you call it, being applied to one item could be considerably smaller.

Mr. FLEMING: May I ask Mr. Sellar a question about this matter of the cushion. Do you find it general practice in estimating to set up cushions on all items?

Mr. CROLL: Of course it is.

The WITNESS: We will never admit, sir, that we have a cushion in, but we all put cushions in.

*By Mr. Fleming:*

Q. To what extent do these cushions exist?—A. You can go by the lapsings. That is what you have to go by to see the real cushion. As a rule it will run anywhere from two per cent to five per cent of the votes.

Q. Your recommendation with regard to showing in the estimates the actual expenditure for the last year is made because you feel you can eliminate those cushions, or reduce them?—A. No. There is nothing which scares civil servants more than to face criticism from the House of Commons and if you have actual figures to criticize us upon we are more vulnerable than when you have got to pull figures out of the air.